VENDOR EXPRESS

and the VENDOR (CUSTOMER)
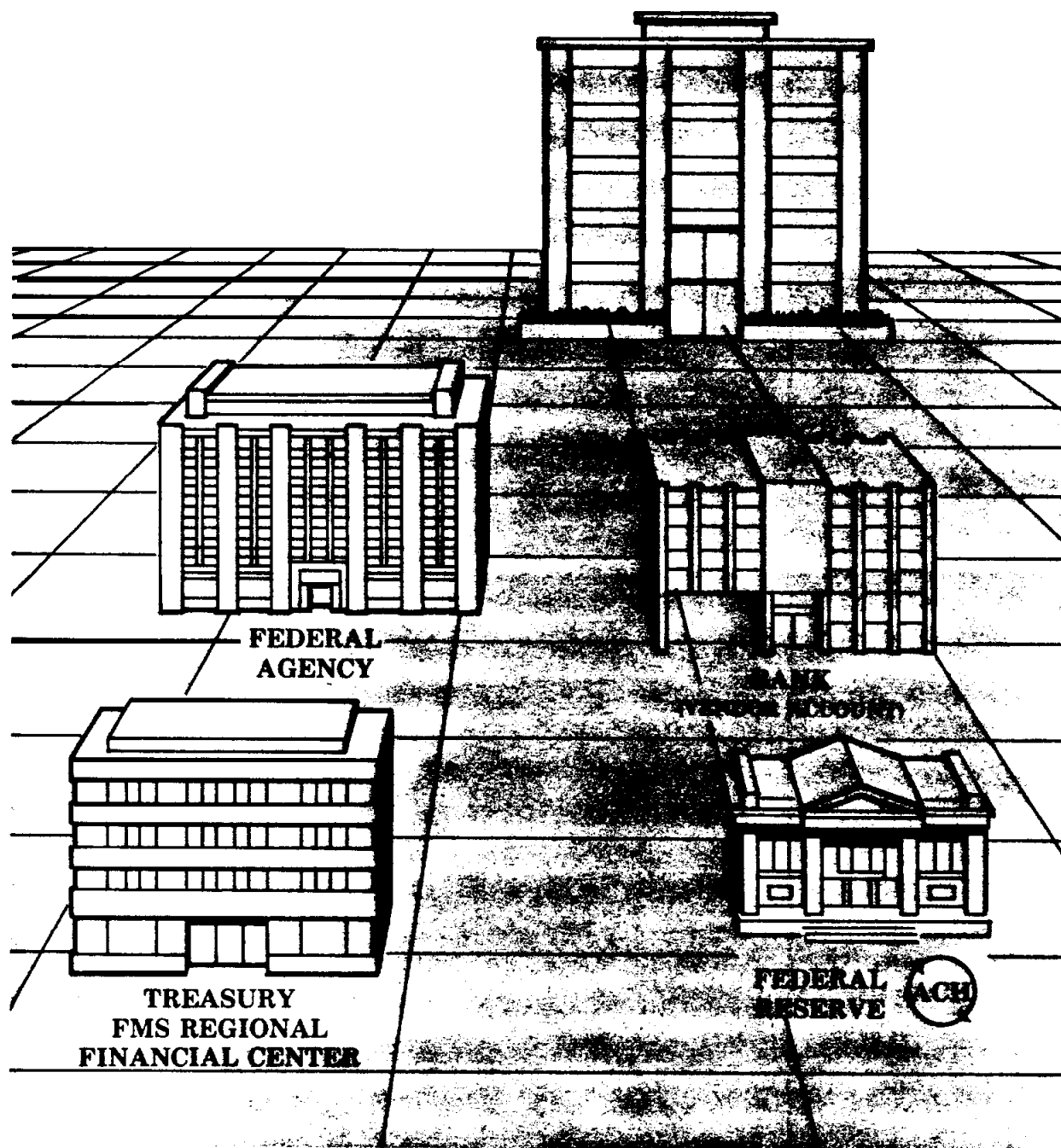

FEDERAL AGENCY

BANK

TREASURY
FMS REGIONAL
FINANCIAL CENTER

FEDERAL RESERVE (ACH)

Department of the Treasury
Financial Management Service fms

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Vendor Express and the Vendor (Customer)

WHAT IS VENDOR EXPRESS?

VENDOR EXPRESS is Direct Deposit for businesses that provide goods and services to any Federal agency. "Vendor" is a generic term that describes businesses and other payment recipients such as State/local governments, educational institutions, and other organizations receiving payments from the Federal Government. Payments are made electronically through the Automated Clearing House (ACH) network for deposit directly into your bank account on the payment due date.
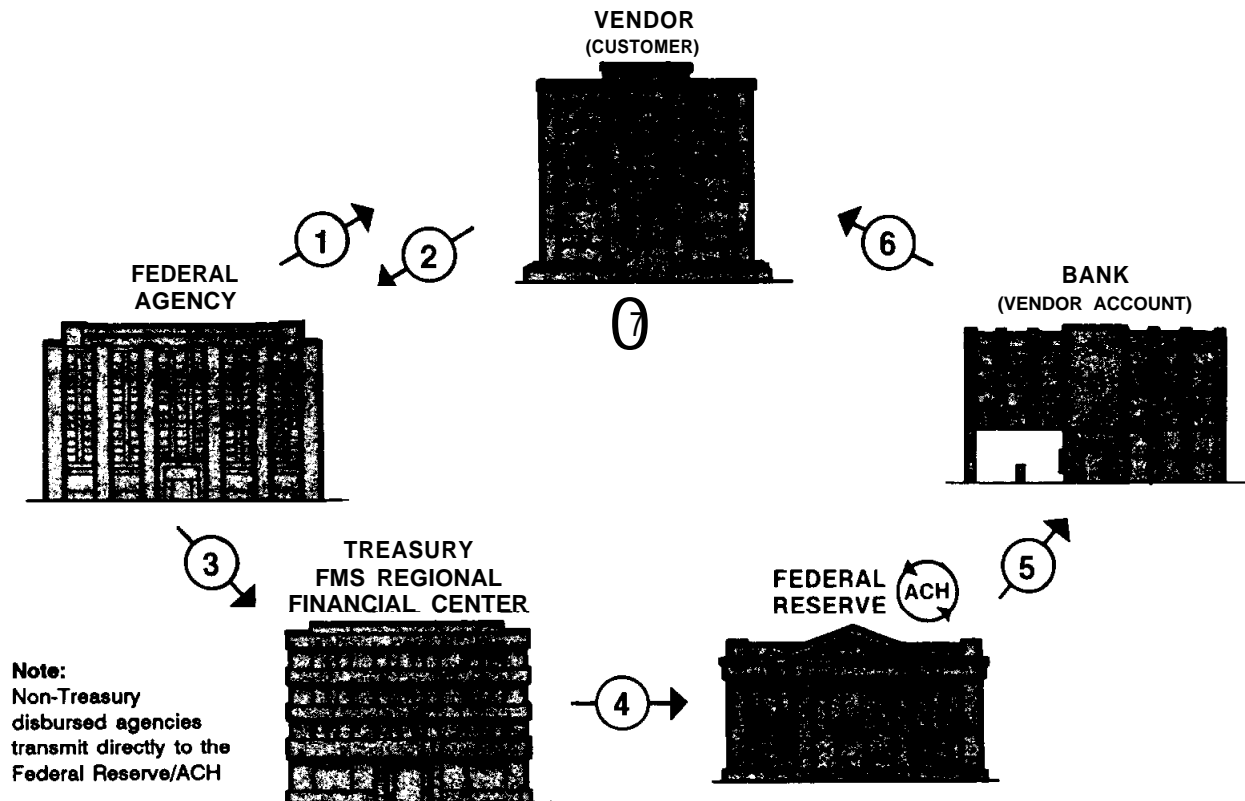
VENDOR EXPRESS provides your bank with payment information which identifies the reason for the payment, such as an invoice number. This information is contained in an "electronic check stub' called an **Addendum Record. The Federal** agency originates and sends both the payment and the addendum record to you through your bank.

Three ACH formats are currently being used to transmit vendor and miscellaneous payments with addenda records. Cash Concentration or Disbursement Plus (CCD+) is used for a single payment, single addendum record (invoice). Corporate Trade Payment (CTP) and Corporate Trade Exchange (CTX) are payment formats with single payment, multiple addenda records. The Financial Management Service (FMS), a bureau of the U.S. Department of the Treasury, primarily uses the CCD+ format. This decision was based on an analysis of Government disbursement practices which indicated that the majority of payments are single payment, single invoice.

BENEFITS

+ No deposit delays

+ Prompt availability of funds

+ Better cash management

+ Payment and information move **together,** creating the opportunity to automate updating of accounts receivable

+ No lost or stolen checks

+ Fully traceable payments

HOW VENDOR EXPRESS WORKS

VENDOR
(CUSTOMER)

FEDERAL
AGENCY

BANK
(VENDOR ACCOUNT)

TREASURY
FMS REGIONAL
FINANCIAL CENTER

FEDERAL
RESERVE (ACH)

Note:
Non-Treasury
disbursed agencies
transmit directly to the
Federal Reserve/ACH

1. FEDERAL AGENCY procures goods/services from a VENDOR.

2. VENDOR provides goods/services to a FEDERAL AGENCY and submits a bill/invoice requesting payment.

3. FEDERAL AGENCY certifies payment to the VENDOR by submitting a payment request with payment information (i.e., addendum) to the agency's servicing TREASURY/FMS REGIONAL FINANCIAL CENTER.

4. TREASURY/FMS REGIONAL FINANCIAL CENTER processes the FEDERAL AGENCY payment request and transmits the payment and the addendum information to the FEDERAL RESERVE/ACH network.

5. FEDERAL RESERVE passes the payment and addendum to the VENDOR'S BANK.

6. BANK credits the payment to the VENDOR'S account on payment due date, notifies the VENDOR of the transaction, and provides the addendum information to the VENDOR as previously agreed.

7. VENDOR posts its accounts receivable from the payment and addendum information received from the BANK.

GET READY

- **Designate** a primary Vendor Express contact in your company.

- Assign implementation roles and responsibilities between your accounts receivable representative, cash management official, and Federal agency representative.

- **Determine** how addendum information provided by the agency will be received internally by accounts receivable and cash management officials.

- **Identify** the appropriate official in your bank who can assist you with receiving ACH payments.

- **Discuss** the Vendor Express Bank booklet in detail with your bank contact.

GET SET

All ACH-receiving financial institutions have the capability and are **required to receive** Vendor Express payments in all ACH formats (payment with addendum). Banks use different methods to notify and pass addendum information to their customers.

- Your bank should give you the addendum information on time, and in the manner you require (on-line query, magnetic tape, telephone call, statement, etc.).

- It is strongly recommended that an individual agreement be worked out between you and your bank prior to the actual enrollment. See sample Vendor Express Agreement included in this booklet.

- **You will receive** the SF 3881, ACH Vendor/Miscellaneous Payment Enrollment Form, with the Agency Information section completed from your client Federal agency. See sample completed SF 3881 included in this booklet.

- You **complete** the Payee/Company Information section of the enrollment form.

- **The appropriate bank official must complete** the Financial Institution Information section, sign it, and return it to you.

- You **return the original SF 3881 to the your client Federal agency.** The bank keeps one copy of the form. You keep a copy of the form for your records.

- **Your client agency will notify you** when to expect your first Vendor Express payment.

- **Your bank should promptly post** the payment to your account and provide you the addendum information as previously agreed.

- You **update** your accounts receivable.

ACH MADE EASY

WHAT YOUR BANK RECEIVES

- Regardless of the ACH format used, the payment and addendum information are **always received together** by your bank.

- The payment and payment information are contained in three ACH Records, the **Batch Header Record, Entry Detail Record and Addendum Record.**

The table below describes the significant information contained in each record:

BATCH HEADER RECORD	ENTRY DETAIL RECORD	ADDENDUM RECORD
contains: • **processing FMS/RFC (e.g., U.S. TREAS 300, represents Washington RFC) for Treasury-disbursed agencies** • **agency identifier (e.g., NASA)** • **payment type (e.g., VenPay, MiscPay)**	**contains:** • **customer's name** • **account number** • **amount paid** • **trace number** • **vendor ID number (15 position field: first 9 positions contain vendor ID assigned by the agency, and the last 6 positions contain the first 6 digits of the agency location code (ALC))**	**contains:** • **reason for payment e.g.,** - **invoice number** - **amount billed** - **discount** - **interest** - **penalty information**

ADDENDA RECORDS MADE EASY

HELPFUL HINTS ABOUT PAYMENT INFORMATION

The accurate interpretation of addenda records is critical to the successful use of the VENDOR EXPRESS Program at your company. You must be able to interpret the information provided by your bank from the addendum record to properly identify your payments.

- The amount of available positions to structure payment information will depend on the Federal agency's planned addendum record format. Abbreviations are used.

- The following is an example of payment information found in an addendum record.

Data Element Name	Segment Identifier	*	Reference No. Qualifier	*	Reference No.	Terminator
Sample Data	RMT	*	IV	•	12345	\

where,   'RMT' is American National Standards Institute (ANSI) Segment Identifier code for Remittance **Advice**
'*' separates the data elements in the segment
'IV' is ANSI Reference Number Qualifier Code for Seller's Invoice Number
'12345' (Reference Number) represents the seller invoice number
'\' terminates the segment

ADDENDA SAMPLES

Remember...ACH addenda records can be up to 94 characters long. The first 3 positions are "705". The next 80 positions are available to provide information about the payment. The last **11** positions are reserved for the special addendum sequence number (4 positions) and the entry detail sequence number (7 positions). Below are examples of the addenda records that your bank receives:

Sample 1   LATE INVOICE PAYMENT with Prompt Pay Interest Penalty Notice

> **705RMT*IV*01234********Includes** interest of $25.00 at 12% for 6 days\0001 9876543

> where,   **RMT** is ANSI Segment Identifier Code for Remittance Advice
> ***** separates the data elements; multiple ***** indicate intermediate data elements not used in the segment
> **IV** is ANSI Reference Number Qualifier Code for Seller's Invoice Number
> **01234** (Reference Number) represents the seller invoice number
> 'Includes Interest of...' (Description) clarifies the related data elements and their content
> **** terminates the segment

Sample 2 UTILITY PAYMENT

> **705RMT*CR*9999.999999\00019876544**

> where,   'CR' is ANSI Reference Number Qualifier Code for Customer Reference Number
> '9999.999999' represents the customer reference number

Sample 3 CONTRACT PAYMENT

> **705RMT*CT*7890987\00019876545**

> where,   **CT** is ANSI Reference Number Qualifier Code for Contract Number
> '7890987' represents the contract number

Sample 4 LOCKBOX PAYMENT

> **705RMT*IV*12345\REF*LB*269\00019876546**

> where,   **12345** represents the invoice number
> **REF** is ANSI Segment Identifier Code for Reference Numbers
> **LB** is ANSI Reference Number Qualifier Code for Lockbox
> **269** represents the lockbox number

Sample 5 INVOICE PAYMENT (DATED)

> **705RMT*IV*43265\DTM*003*891227\00019876547**

> where,   '43265' represents the invoice number
> **DTM** is ANSI Segment Identifier Code for Date/Time Reference
> **003** is ANSI Date/Time Qualifier Code for Invoice
> **891227** (Date) represents the invoice date, formatted **YYMMDD**

SAMPLE VENDOR EXPRESS AGREEMENT

The services listed below represent an agreement between the Bank and the Customer relating to the bank passing the addendum information to the customer.

1. **Both parties agree that the addendum information will be provided to the customer in the following medium:**

   ____ **On-Line Query**   ____ **Magnetic Tape**

   ____ **Telephone Call**   ____ **Listing**

   ____ **Credii Advice**   ____ **Statement**

   ____ **Other (Please specify):**

2. **Both parties agree that the addendum information will be provided to the customer within the following timeframe:**

   ____ **Same day as payment date**   ____ **Business day following payment date**

   ____ **Other (Please specify):**

3. **Additional agreements:**

Bank Official Signature

Tile:

Date:

Bank Name:

Primary Contact:

Title:

Telephone #:

Company Official Signature

Title:

Date:

Company Name:

Primary Contact:

Title:

Telephone #:

SAMPLE VENDOR EXPRESS ENROLLMENT FORM. SF 3881

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

OMB No. 1510-0056
Expiration Date 06/30/93

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment date, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY
Federal Agency Name

AGENCY IDENTIFIER:	AGENCY LOCATION CODE (ALC):	ACH FORMAT:
FAGN	0000-9999	☒ CCD+ ☐ CTX ☐ CTP

ADDRESS:
8888 Line Street

Map, AL 32222

CONTACT PERSON NAME:	TELEPHONE NUMBER
Mary Jones	(383) 333-8888

ADDITIONAL INFORMATION:

PAYEE/COMPANY INFORMATION

NAME	SSN NO. OR TAXPAYER ID NO.
ABC Company, Inc.	666666666-6

ADDRESS
999 Lake Street

Ton, FL 22222

CONTACT PERSON NAME:	TELEPHONE NUMBER:
John Smith	(393) 444-6666

FINANCIAL INSTITUTION INFORMATION

NAME:
XYZ National Bank

ADDRESS:
2232 Main Street

Ton, FL 22222

ACH COORDINATOR NAME:	TELEPHONE NUMBER:
Ken Johnson	(393) 444-5555

NINE-DIGIT ROUTING TRANSIT NUMBER:
7 7 7 4 4 4 7 7 7

DEPOSITOR ACCOUNT TITLE:
ABC Company, Inc.

DEPOSITOR ACCOUNT NUMBER:	LOCKBOX NUMBER:
555000441	

TYPE OF ACCOUNT:
☒ CHECKING   ☐ SAVINGS   ☐ LOCKBOX

SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator)	TELEPHONE NUMBER:
Ken Johnson ACH Coordinator	(393) 444-5555

NSN 7540-01-274-9925   3881-102

SF 3881 (Rev 12/90)
Prescribed by Department of Treasury
31 U S C 3322; 31 CFR 210

PAYEE/COMPANY COPY

ASSISTANCE

The table below describes the action to take when you **need assistance:**

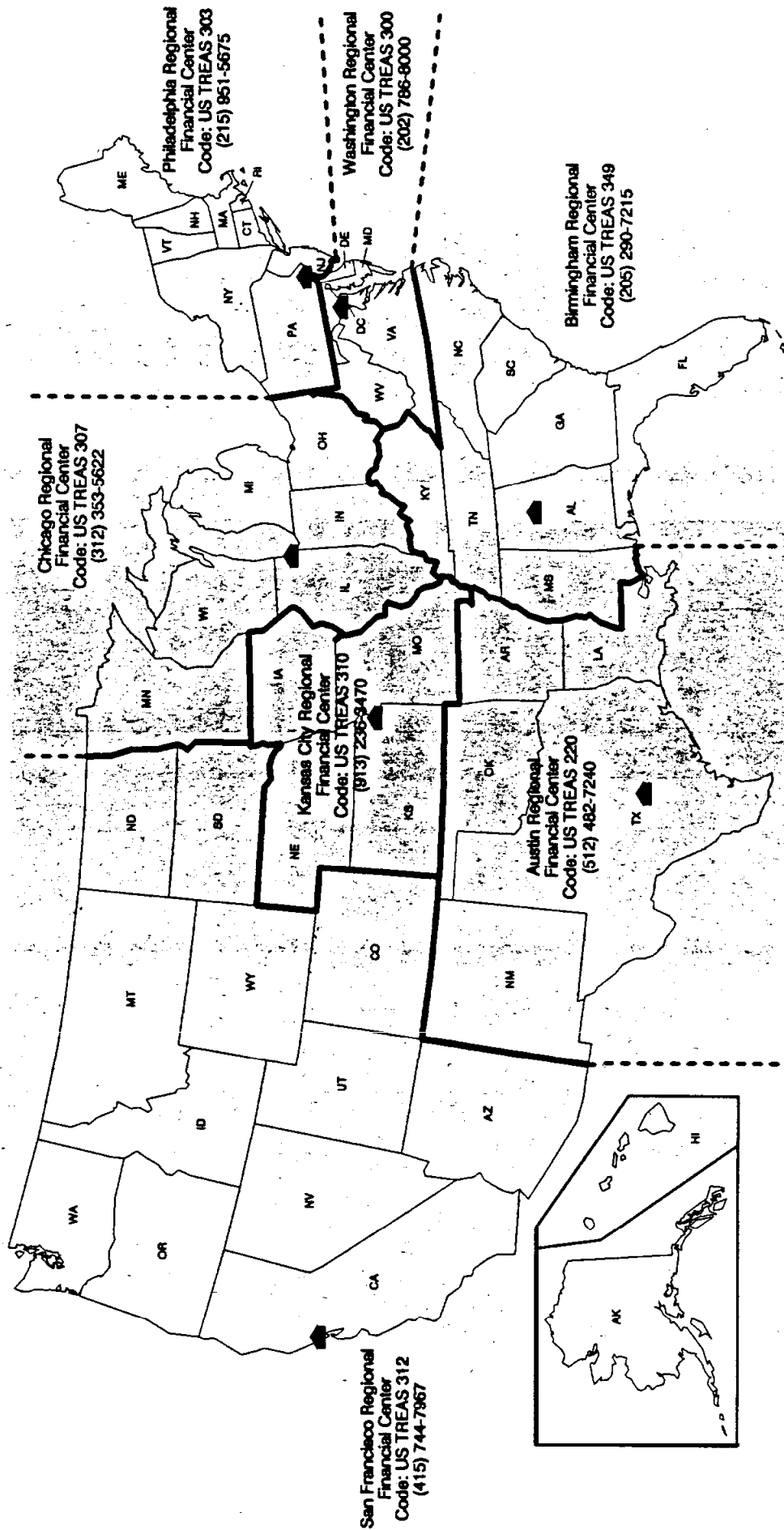| IF THE ADDENDUM INFORMATION IS...	THEN THE VENDOR MUST CONTACT THE...	AND...
not provided	appropriate bank official for ACH payments	RE-EMPHASIZE -Agreement signed w/bank ● that the payment and addendum are always received by the bank together
unclear or contains insufficient data	client Federal **agency** authorizing payment	**identify problem and determine necessary solution**

If for any reason, the client Federal agency is unable to resolve your problem, REMEMBER -- FMS IS HERE TO HELP!

NO PROBLEM IS TOO SMALL TO IGNORE OR TOO BIG TO HANDLE

See Next Page for Telephone Numbers

VENDOR EXPRESS PROGRAM INFORMATION IS JUST A PHONE CALL AWAY!!!

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
CUSTOMER ASSISTANCE STAFFS

Philadelphia Regional
Financial Center
Code: US TREAS 303
(215) 951-5675

Washington Regional
Financial Center
Code: US TREAS 300
(202) 786-8000

Birmingham Regional
Financial Center
Code: US TREAS 349
(205) 290-7215

Chicago Regional
Financial Center
Code: US TREAS 307
(312) 353-5622

Kansas City Regional
Financial Center
Code: US TREAS 310
(913) 236-9470

Austin Regional
Financial Center
Code: US TREAS 220
(512) 482-7240

San Francisco Regional
Financial Center
Code: US TREAS 312
(415) 744-7967

Vendor Express Implementation Washington, DC 20227 (202) 874-6820	Vendor Express Marketing Washington, DC 20227 (202) 874-6620